

## INFORMATION PAPER

SAFM-RBA  
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### **SUBJECT: Financial Management Initiatives**

**1. Purpose.** To provide information concerning various financial management initiatives developed and initiated by SAFM-RBA.

**2. Facts:**

a. Commanders and Army managers continue to make progress at improving their operational capabilities by using innovative business practices to generate revenue or avoid costs.

b. Examples of Army Financial Management Initiatives:

**LODGING SUCCESS PROGRAM.** The Lodging Success Program continues to save significant TDY dollars by providing contract hotel rooms at per day rates that average 26 percent below the government per diem rate in the National Capital Region. Since it began in 1992, the Lodging-Success Program has simplified the process of obtaining TDY lodging and has saved money for all Army commands. Annual lodging savings exceed \$4 million and more than \$1 million are estimated as saved in rental car cost avoidance. The Lodging-Success Program is a proven money saver that is effectively serving the needs of Army travelers while saving significant Army resources. Currently, the Army is expanding the Lodging Success Program to other high volume travel areas such as Atlanta and the Virginia tidewater area. The program is also being actively considered for expansion Department of Defense-wide as part of a bigger travel reengineering effort.

**THE RESOURCE RECOVERY AND RECYCLING PROGRAM (RRRP).** Army installations continue to act as environmental stewards through the Resource Recovery and Recycling Program. Installations collect, sell and receive direct reimbursement for their recyclable materials through the Defense Reutilization and Marketing Office. These proceeds (less operating costs) are used to fund pollution abatement, energy conservation, and morale, welfare and recreation activities. Installations received gross proceeds of \$12.7 million in FY91, \$18.7 million in FY92, \$16.6 million in FY93 and \$10.8 million in FY94. Current estimates are that the RRRP will earn approximately \$10 million in FY95. It should be noted that RRRP reimbursements are dependent on available stockpiles of recyclables and current market value which cause yearly fluctuations in the proceeds. In addition to receiving a direct return of current year dollars, installations participating in RRRP are realizing additional savings by reducing current year landfill costs and avoiding or deferring future year landfill costs.

**THE SALE AND OUTLEASE PROGRAM.**Legislative authority provides the DoD with an incentive to review property and evaluate utilization. The law allows installations to retain the proceeds from non-BRAC excess real property and outlease of non-excess real and personal property. Examples include leases of land to utility companies, transportation offices, or private firms; leases of underutilized warehouses, or offices (classroom space, conference rooms, etc.) to private companies; and sales of parcels of land to adjacent farmers. Commanders perform a detailed review of their real and personal property and identify excess real property for sale and underutilized real and personal property for outlease at fair market value. Proceeds from the sale and outlease program are used to fund environmental restoration projects (not compliance projects) and repair and maintenance projects. Proceeds from the Sale and Outlease Program were \$8.5 million in FY92, \$7.5 million in FY93 and \$8.4 million in FY94. Current indications are that FY95 will earn in excess on \$15.5 million.

**PARTNERSHIPS AND REGIONALIZATIONS.**Many Army installations use partnerships and regionalizations as innovative techniques to improve productivity and conserve limited resources. A partnership is any reciprocal agreement between an Army installation and another party in which both parties exchange services or resources in a barter-like fashion. Typically, the resources are assets other than money such as a facility, real estate, or information. Partnerships should provide a quantifiable benefit to both parties. Regionalization is a method of providing common support over a wide geographical area. It is normally an arrangement between more than two entities to share a common support infrastructure such as a water system or waste disposal operation.

**ELECTRONIC BULLETIN BOARD.**As an initiative to help Army installations help themselves, we created and maintain an electronic bulletin board entitled, "Sharing Good News". The primary purpose is to publish the innovative efforts that are being used by various installations around the Army to improve business practices. We also publish late breaking information concerning the National Performance Review, OSD policy changes, and Army initiatives that are of interest to the field. Anyone, worldwide who has access to either the HQDA Decision Support System electronic network or the Internet can access the bulletin board and submit ideas to be published. Indications from the field are that the bulletin board is well received.